

# Ensuring National Policy Coherence in Economic, Social & Environmental Dimensions in the Promotion of Full Employment & Decent Work for All – Lessons from Ethiopia

James Wakiaga  
Economics Advisor  
Policy and Advisory Unit  
UNDP Ethiopia



*Empowered lives.  
Resilient nations.*

# Introduction

- The concept of decent work agenda aims at the overall improvement of living and working conditions.
- The pursuit of full and productive employment as well as decent work agenda is underpinned in the overarching objective of promoting sustainable development.
- The decent work agenda focuses on four interrelated pillars dealing with **economic policies and enabling environment, social protection, social dialogue** and **application of core labor standards**.
- In Sub-Saharan Africa majority of the people work in low paying jobs in agricultural sector, there is need for structural transformation.



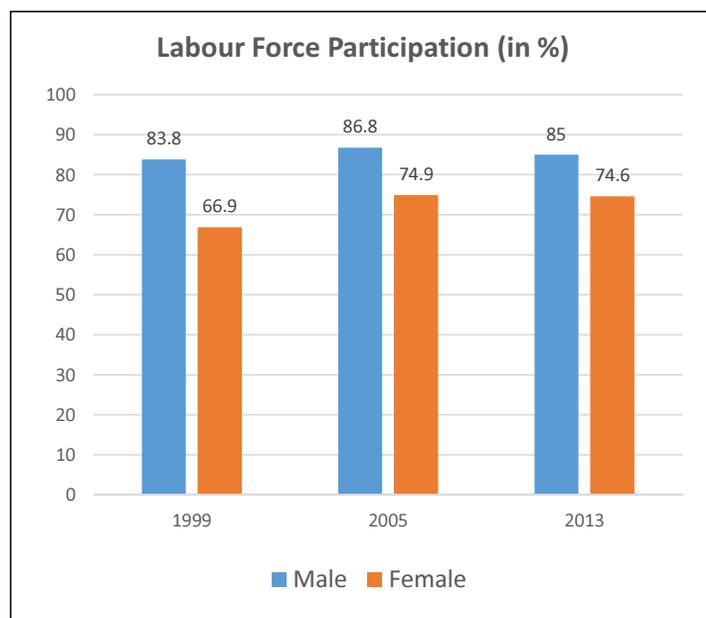
*Empowered lives.  
Resilient nations.*

# Status of Employment & Decent Work in Ethiopia

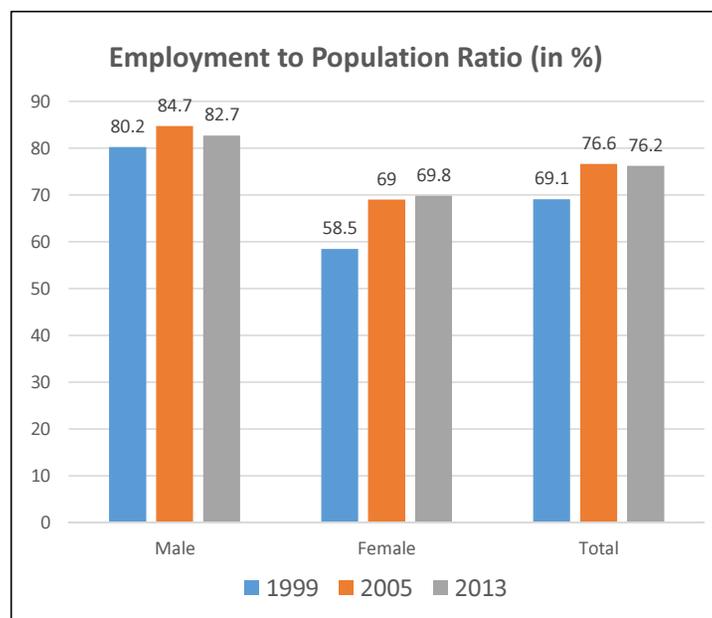


Empowered lives.  
Resilient nations.

- **Labour force participation:** 79.8% in 2013 (85% for male and 74.6% for female). slight decline compared to 80.7% in 2005.



Source: CSA (2013), National Labour Force Survey



Source: CSA (2013), National Labour Force Survey

# Status of Employment & Decent Work in Ethiopia

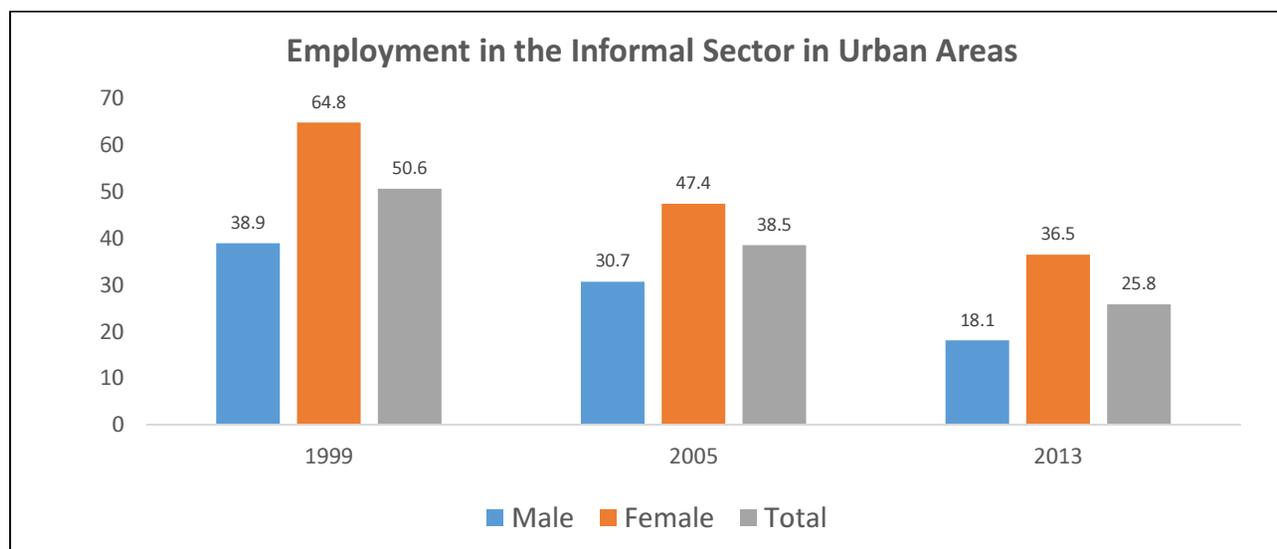
## Proportion of Population Working in the Informal Economy

**Country level:** the employment in the informal sector was 18.2% in 2013

**Urban areas:** higher at 25.8% (36.5% for female and 18.1% for male).



*Empowered lives.  
Resilient nations.*



Source: CSA (2013), National Labour Force Survey

# Status of Employment & Decent Work in Ethiopia

## Distribution of Employed Population by Status in Employment:

Majority (48.7%) are unpaid family workers followed by self-employed or own account workers.



*Empowered lives.  
Resilient nations.*

	1999	2005	2013
<b>Government Employees</b>	2.9	3.2	4.4
<b>Self Employed (Own Account Workers)</b>	43.5	40.9	40.1
<b>Unpaid Family Workers</b>	47	50.3	48.7
<b>Private Organization Employees</b>	4.3	2.9	4.2
<b>NGO's Employees</b>		0.5	0.2
<b>Domestic Employees</b>		1.2	0.9
<b>Employer</b>	0.8	0.6	0.4
<b>Members of Cooperative</b>	0	0	0.2
<b>Others</b>	1.4	0.5	0.8

Source: CSA (2013), National Labour Force Survey

# Status of Employment & Decent Work in Ethiopia



*Empowered lives.  
Resilient nations.*

- The overall unemployment rate in urban areas was 17.5% and higher among female at 24.2% (UEES).
- Youth unemployment was relatively high at 23.3% and even higher among females at 29.6% compared to male at 16.4% (NHDR, 2014).
- Labour force entrants are expected to increase to 3.2 million per year by 2050 (UNCTAD,2013, NHDR,2014).
- The strategic pillar on sustaining rapid and equitable growth underlines that economic growth is central to creating employment opportunities.
- Ethiopia is on the third generation of Decent Work Country Programme (DWCP 2012-2015), which aims to integrate decent work priorities with the national development agenda as spelled in the GTP.

## **Policy Responses: Productivity & Job Creation – GTP Context**

- GTP views economic growth as a means of creating jobs and achieving broad based accelerated and sustained economic growth to eradicate poverty.
- Emphasis has been given to agriculture and rural development, industry infrastructure as well as social and human development.
- Rapid growth of the industry sector is to increase competitiveness of exports.
- There has been a scaling up of investment in infrastructure as well as on basic social services.



*Empowered lives.  
Resilient nations.*

# Trends in Social Development:



Empowered lives.  
Resilient nations.

## Investment in Social Infrastructure

Indicator	2004/05	2012/13
Per Capita Income (US\$)	171	557.6
Poverty Incidence (%)	38.7	26
Illiteracy Rate (%)	71	53.3
Primary Education Coverage (net) (%)	68.5	85.7
Secondary Education Coverage (net) (%)	11.8	19.4
Basic Health Services Coverage (net) (%)	76.9 (2005/06)	94
Immunization Coverage	44.5	87.6
Life Expectancy	57	62.2
National Water Supply Coverage	36.0	68.5

Source: NHDR (2014)



*Empowered lives.  
Resilient nations.*

## Trends in Social Development

### **Social Protection:**

- Government has implemented policies that address needs of the poor and vulnerable who have not benefitted from rapid economic growth.
- Social protection policy approved.

### **Demographic Trends and Youth Bulge:**

- To harmonize the rate of population growth, a National population policy was launched in 1993; closes gap between high population growth rate and low economic productivity.

### **Social Dialogue:**

- Tripartite social dialogue (Tripartite Advisory Board) that includes employers' association, trade unions and government was established in October 2004, as per the labour proclamation based on the ILO conventions (ILO, 2013).

# Economic Policies & Productive Employment

## SME Development:

- The Government has implemented entrepreneurship development with support of UNDP, including the establishment of EDC, IFF and placing entrepreneurship centers in universities across 5 regions.

## TVET Strategy:

- Aims to support the industrial development, by addressing the technical skills deficit.

## Industrial Zones Development:

- In line with the industrial development strategy, the government has established 3 zones to cater for medium and large scale manufacturing industries.



*Empowered lives.  
Resilient nations.*

# Economic Policies & Productive Employment

## Private Sector Development:

- The strategy is to strengthen the policy and regulatory environment for private sector development to act as a catalyst for industrial development.

## Export Promotion:

- The government with support of UNDP is working to improve trade facilitation and logistics in order to promote exports whose performance has been sub-optimal.

## Public Infrastructure Investment:

- The infrastructure and construction industry have played a critical role in the creation of job opportunities



*Empowered lives.  
Resilient nations.*

# Environmental Policies: Mitigate Shocks & Build Resilience

## Disaster Risk Management:

- In 2010 the Government enacted a national policy and strategy on disaster risk management, a shift from aid dependency to a more proactive multi-sectoral and multi-hazard DRM approach (NHDR, 2014).

## Climate Resilient Green Economy (CRGE) Strategy:

- In order to develop a green economy and promote greater resilience to climate change, CRGE strategy was initiated. Objectives are to develop modern and energy efficient technologies, while creating green jobs.

## CRGE Facility:

- The government established a funding mechanism to mobilize and disburse climate finance, targeting to mobilize US\$ 200 billion over the next 20 years.



*Empowered lives.  
Resilient nations.*

# Opportunities: Promoting Full Employment & Decent Work in Ethiopia

## Formulation and Implementation of GTP II:

- GTP II provides an opportunity for the country to mainstream and integrate employment creation and decent work.

## Finalization of the Employment Policy:

- Drafted policies include far reaching implications which anchor sound policies for employment creation, safeguarding the rights of employees and their welfare.

## Implementation of the Social Protection Policy:

- Social protection policy was a major milestone and the onus lies in the implementation that will ensure social benefits for workers.

## Review of the National Population Policy:

- Review of the policy enacted in 1993, provides an opportunity to address mortality and fertility, hence accelerate the demographic transition.



*Empowered lives.  
Resilient nations.*

# Conclusion



*Empowered lives.  
Resilient nations.*

- GTP has identified productive employment as a catalyst for human development and inclusive growth.
- Ethiopia must generate approximately 1.4 million productive and decent jobs every year in order to keep up with the growing labour force.
- A coherent policy approach that addresses social, economic and environmental dimensions for sustainable job creation is necessary.